

CALIFORNIA COASTAL COMMISSION

SOUTH CENTRAL COAST AREA
89 SOUTH CALIFORNIA ST., SUITE 200
VENTURA, CA 93001
(805) 641 - 0142



DATE: July 22, 2003

TO: Commissioners and Interested Parties

FROM: Chuck Damm, Senior Deputy Director
Gary Timm, District Manager

SUBJECT: City of Santa Barbara Local Coastal Program Amendment No. MAJ-2-02 [Hotel and Related Commerce (HRC) Zones and Ocean-Oriented Commercial (OC) Zone] for Public Hearing and Commission Action at the California Coastal Commission hearing of August 6 2003 in Huntington Beach.

DESCRIPTION OF THE SUBMITTAL

On September 30, 2002, the City of Santa Barbara submitted an amendment to its certified Local Coastal Program to: (1) create a new Ocean Oriented Commercial (OC) land use designation, re-designating an approximately 3-block by 3-block area of the Waterfront generally bound by Helena Avenue on the west, Highway 101 on the north, Garden Street on the east, and Cabrillo Boulevard on the south (excluding parcels fronting Cabrillo Boulevard and those within the Cabrillo Plaza Specific Plan), from the existing HRC-2 land use designation to the OC land use designation (exhibit 1); and (2) amend the Zoning Ordinance to include a new Ocean-Oriented Commercial (OC) land use zone applicable to the subject area. Other proposed changes include: amending the zoning ordinance to allow residential uses in the Kimberly Avenue area in the HRC-2 zone between State Street and Mission Creek (exhibit 4); amending the LUP and the Zoning Ordinance to allow free standing restaurants in the HRC-1 land use designation and zone; amending the Zoning Ordinance to remove language that allows residential use in the Chase Palm Park Expansion (Park & Recreation Zone); amending the Zoning Ordinance to allow residential uses in the HRC-2 and proposed OC zones to develop to variable density standards; rezoning the parcel at 15 West Mason Street from HRC-1 to HRC-2; and, amending the General Plan (LUP) map and Zoning Map for several properties located east of Milpas, south of Calle Puerto Vallarta, and west of Orilla Del Mar from the HRC-1 (Hotel and Related Commerce) designation and zone to the Hotel and Residential land use designation and R-4 (Hotel-Motel Multiple Residence) Zoning designation (exhibit 4).

On October 15, 2002, the Executive Director determined that the City's Amendment was in proper order and legally adequate to comply with the submittal requirements of Coastal Act Section 30510 (b). Pursuant to Coastal Act Section 30517 and California Code of Regulations Section 13535 the Commission extended the statutory 90 day time limit for Commission action on the proposed LCP amendment for a period not to exceed one year at its December 2002 meeting. The Commission held a public hearing on the proposed LCP amendment at the April 10, 2003 hearing in Santa Barbara and continued

the matter with no action. The primary issue of discussion at the Commission hearing concerned a proposed suggested modification to establish a development standard to limit the amount of residential use allowed in approving mixed use development projects. At the April hearing staff was recommending that residential development be restricted to upper stories only for new development in the OC zone. Several Commissioners suggested that a standard that established a percentage limit on residential use would allow greater flexibility in design. Subsequent to the hearing Commission staff and City staff met to discuss various alternatives or changes to suggested modifications. These alternatives included establishing a percentage ratio limit on residential development to assure that the mixed-use objective is achieved, establishing a dual zone of OC/HRC for Montecito Street frontage and adding a policy to exempt affordable housing projects from the mixed-use requirements. As a result of Commission discussion at the April hearing and subsequent discussions with City staff suggested modification no. 2 to the Implementation Plan/Zoning ordinance has been revised to establish a mixed use residential development standard ratio requirement to replace the upper story restriction previously recommended. However, the City is not in agreement with this change and is not proposing any changes to the proposed LCP Amendment as submitted.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends denial of the Land Use Plan Amendment as submitted, followed by approval of the Amendment with suggested modifications. Staff further recommends denial of the Implementation/Zoning Ordinance Amendment as submitted, followed by approval of the Amendment with suggested modifications. The City's proposed LCP Amendment is inconsistent with the Chapter 3 policies of the Coastal Act relative to the protection and provision of visitor-serving commercial facilities including hotels and motels. As submitted, the proposed LCP Amendment will prohibit future construction of certain visitor-serving commercial facilities, including overnight accommodations in a significant portion of the downtown waterfront area where they are currently allowed while, at the same time, increasing the potential for residential development, a non-priority use under the Coastal Act, in the same area. Therefore, Commission staff is recommending denial of certain portions of the Amendment and suggested modifications to bring the proposed Land Use Plan amendment into conformity with the Chapter 3 policies of the Coastal Act and to enable the proposed Implementation Plan Amendments to adequately carry out the certified LUP policies. **The motions and resolutions for Commission action begin on page 4; the suggested modifications begin on page 6.**

For additional information please contact Gary Timm at the South Central Coast District Office: 89 South California St., Ste. 200, Ventura, CA. 93001 or 805-585-1800.

I. PROCEDURAL ISSUES

A. STANDARD OF REVIEW

The Coastal Act provides:

The commission shall certify a land use plan, or any amendments thereto, if it finds that a land use plan meets the requirements of, and is in conformity with, the policies of Chapter 3 (commencing with Section 30200)... (Section 30513(c))

The standard of review that the Commission uses in reviewing the adequacy of the land use plan is whether the land use plan is consistent with the policies of Chapter 3 of the Coastal Act.

Section 30513 of the Coastal Act further provides:

The local government shall submit to the Commission the zoning ordinances, zoning district maps, and, where necessary, other implementing actions that are required pursuant to this chapter...

The Commission may only reject ordinances, zoning district maps, or other implementing action on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. If the Commission rejects the zoning ordinances, zoning district maps, or other implementing actions, it shall give written notice of the rejection, specifying the provisions of the land use plan with which the rejected zoning ordinances do not conform, or which it finds will not be adequately carried out, together with its reasons for the action taken. (Section 30514)

The Commission may suggest modifications in the rejected zoning ordinances, zoning district maps, or other implementing actions, which, if adopted by the local government and transmitted to the Commission shall be deemed approved upon confirmation by the executive director. The local government may elect to meet the Commission's rejection in a manner other than as suggested by the Commission and may then resubmit its revised zoning ordinances, zoning district maps, and other implementing actions to the Commission.

The standard of review used by the Commission for the proposed amendment to the Implementation Plan in reviewing the adequacy of zoning and other implementing measures is whether or not the proposed amendment is in conformance with, and adequate to carry out the provisions of the Land Use Plan.

The City of Santa Barbara's Coastal Zoning Ordinance implements the City's Coastal Land Use Plan and policies. It serves to integrate the City of Santa Barbara Coastal Land Use Plan with the adopted Santa Barbara General Plan and Zoning Ordinance as applied to the Coastal Zone. The Coastal Zoning Regulations and Maps set forth regulations, standards, and procedural requirements for development within the Coastal Zone and establish required consistency with the policies of the LCP Land Use Plan.

B. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires public input in preparation, approval, certification and amendment of any LCP. The City held numerous public meetings and/or workshops on 7/18/98, 7/20/98, 9/23/98, 9/26/98, 10/27/98, 12/15/98, 2/16/99, 4/13/99, 7/8/99, 7/20/99, 8/10/99, 8/17/99, and 6/18/02. All workshops and hearings were noticed to the public consistent with Sections 13551 and 13552 of the California Code of Regulations. Notice of the subject amendment has been distributed to all known interested parties.

C. PROCEDURAL REQUIREMENTS

Pursuant to Section 13551 (b) of the California Code of Regulations, the City resolution for submittal may provide that a Local Coastal Program Amendment will either require formal adoption by the local government after the Commission action to approve, or is an amendment that will take effect automatically upon the Commission's approval. In this case, because the recommendation of approval is subject to suggested modifications, if the Commission approves the Amendment pursuant to the staff recommendation, the City must act to formally accept the suggested modifications before the amendment can become effective. Pursuant to Section 13544 of the Code of Regulations, the Executive Director shall determine whether the City's action is adequate to satisfy all requirements of the Commission's certification with suggested modifications and report such adequacy to the Commission.

II. STAFF RECOMMENDATION, MOTIONS, AND RESOLUTIONS ON THE LAND USE PLAN/COASTAL PLAN (LUP/CP)

Following public hearing, staff recommends that the Commission adopt the following resolution and findings. The appropriate motion to introduce the resolution and the staff recommendation is provided prior to each resolution.

A. DENIAL OF THE LAND USE PLAN AMENDMENT AS SUBMITTED

MOTION I: I move that the Commission certify Amendment SBC-MAJ-2-02 to the City of Santa Barbara Land Use Plan/Coastal Plan as submitted by the City of Santa Barbara.

STAFF RECOMMENDATION OF DENIAL:

Staff recommends a **NO** vote. Failure of this motion will result in denial of the land use plan as submitted and adoption of the following resolution. The motion to certify as submitted passes only upon an affirmative vote of a majority of the appointed Commissioners.

RESOLUTION TO DENY CERTIFICATION OF THE LAND USE PLAN AMENDMENT AS SUBMITTED:

The Commission hereby denies certification of Amendment SBC-MAJ-2-02 to the City of Santa Barbara Land Use Plan/Coastal Plan and adopts the findings set forth below on the grounds that the Land Use Plan as submitted does not meet the requirements of and is not in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the land use plan would not meet the requirements of the California Environmental Quality Act, as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the land use plan as submitted.

B. CERTIFICATION OF THE LAND USE PLAN AMENDMENT WITH SUGGESTED MODIFICATIONS

MOTION II: I move that the Commission Certify Amendment SBC-MAJ-2-02 to the City of Santa Barbara Land Use Plan/Coastal Plan if modified as suggested in this staff report.

STAFF RECOMMENDATION TO CERTIFY IF MODIFIED:

Staff recommends a **YES** vote. Passage of this motion will result in certification of the land use plan with suggested modifications and adoption of the following resolution and findings. The motion to certify with suggested modifications passes only upon an affirmative vote of a majority of the appointed Commissioners.

RESOLUTION TO CERTIFY THE LAND USE PLAN AMENDMENT WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies Amendment SBC-MAJ-2-02 to the City of Santa Barbara Land Use Plan/Coastal Plan if modified as suggested and adopts the findings set forth below on grounds that the Land Use Plan/Coastal Plan with the suggested modifications will meet the requirements of and be in conformity with the policies of Chapter 3 of the Coastal Act. Certification of the land use plan if modified as suggested complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment that will result from certification of the land use plan if modified.

III. STAFF RECOMMENDATION, MOTIONS, AND RESOLUTIONS ON THE IMPLEMENTATION PROGRAM/COASTAL ZONING ORDINANCE (IP/CZO)

Following public hearing, staff recommends that the Commission adopt the following resolution and findings. The appropriate motion to introduce the resolution and the staff recommendation is provided just prior to each resolution.

A. DENIAL OF THE IMPLEMENTATION PROGRAM/COASTAL ZONING ORDINANCE AS SUBMITTED

MOTION III: I move that the Commission reject the City of Santa Barbara Implementation Program / Zoning Ordinance Amendment SBC-MAJ-2-02 as submitted.

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a **YES** vote. Passage of this motion will result in rejection of the Implementation Program / Zoning Ordinance amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO DENY CERTIFICATION OF THE IMPLEMENTATION PROGRAM AMENDMENT AS SUBMITTED:

The Commission hereby denies certification of the City of Santa Barbara Implementation Program/Zoning Ordinance Amendment SBC-MAJ-2-02 and adopts the findings set forth below on grounds that the Implementation Program/Zoning Ordinance Amendment as submitted does not conform with and is not adequate to carry out the provisions of the certified Land Use Plan. Certification of the Implementation Program/Zoning Ordinance amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Program/Zoning Ordinance as submitted.

B. CERTIFICATION WITH SUGGESTED MODIFICATIONS

MOTION IV: I move that the Commission certify the City of Santa Barbara Implementation Program / Zoning Ordinance Amendment SBC-MAJ-2-02 if it is modified as suggested in this staff report.

STAFF RECOMMENDATION TO CERTIFY IF MODIFIED:

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Implementation Program Amendment with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO CERTIFY THE IMPLEMENTATION PROGRAM AMENDMENT WITH SUGGESTED MODIFICATIONS:

The Commission hereby certifies the City of Santa Barbara Implementation Program / Zoning Ordinance Amendment SBC-MAJ-2-02 if modified as suggested and adopts the findings set forth below on grounds that the Implementation Program with the suggested modifications conforms with, and adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Program / Zoning Ordinance Amendment if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program/Coastal Zoning Ordinance on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

IV. SUGGESTED MODIFICATIONS TO THE LAND USE PLAN AMENDMENT

Note: The City's proposed changes to the LUP/CP as submitted are shown in underline for added text and for deleted text. The Commission's recommended modifications for changes to the City's LUP/CP as submitted in SBC-MAJ-2-02 are shown in double underline for added text, and ~~double strikethrough~~ for deleted text. Suggested modifications to revise maps are indicated by italics.

Suggested Modification No. 1

Page 177 Component 4: Chapala Street to Santa Barbara Street

1. Existing Plans and Land Use

....

General Plan: ~~This~~ The area bounded by Helena Avenue on the west, Highway 101 on the north, Santa Barbara Street on the east, and Cabrillo Boulevard on the south plus parcel No. 033-08-02 at northwest corner of Helena and Yanonali and the condo project at Santa Barbara and Yanonali Streets (excluding parcels fronting on Cabrillo Boulevard or within the Cabrillo Boulevard Plaza Specific Plan area and parcels fronting on Montecito Street) is set aside in the General Plan for Ocean-Oriented Commercial uses. The remainder of Component 4 sub-area is set aside for Hotel and Related Commerce uses. The purpose of the Ocean-Oriented Commercial land use designation is to foster a vital, mixed-use neighborhood in the Waterfront. Uses permitted and encouraged are those that contribute to balanced use of the City's Waterfront and maintain the small scale, local character that is unique to the Waterfront area. Land uses are also encouraged that maintain and enhance the desirability of the Waterfront as a place to work, visit, and live. Such uses include ocean-dependent and ocean-oriented uses, uses that provide commercial recreational opportunities for residents and visitors to the City, or uses that provide work space for local artists (as defined in the Zoning Ordinance). Mixed-use development is also encouraged in areas where residential uses are allowed.

.....

4. LCP Land Use

(3rd paragraph) In the area east of State Street and north of the existing railroad right-of-way The land use designation within the LCP shall be a mixture of HRC II (visitor-serving use) and Ocean-Oriented Commercial as set forth below The area between State Street and Helena Avenue is designated HRC II. The area bounded by Helena Avenue on the west, Highway 101 on the north, Santa Barbara Street on the east and the existing railroad right-of-way on the south (excluding the Montecito Street frontage between State Street and Santa Barbara Street) is designated Ocean-Oriented Commercial. The City will

encourage ~~mixed use projects,~~ visitor-serving uses between State Street and Helena Avenue and along Montecito Street south of the freeway, and ocean-oriented commercial, and residential as a component of mixed use projects within the remaining area.

Suggested Modification No. 2

Page 182 Component 6: Punta Gorda Street to City limit (Cabrillo Boulevard at U.S. 101).

4. LCP Land Use ... The existing hotel/motel uses along Cabrillo Boulevard and Milpas Street shall be designated "Hotel & Related Commerce". ~~The existing hotel/motel uses along Milpas Street shall be designated "Hotel and Residential".~~

V. SUGGESTED MODIFICATIONS TO THE IMPLEMENTATION PLAN - ZONING ORDINANCE AMENDMENT

Suggested Modification No. 1

Chapter 28.22 (HRC-1 and HRC-2 Hotel and Related Commerce Zones) ...

28.22.30 Uses Permitted.

....

HRC-2 Zone:

....

d. Restriction on residential use: Residential use is prohibited in the HRC-2 Zone except in the following areas:

~~(1) The area bounded by Kimberly Avenue on the east, Mason Street on the south, Mission Creek on the west, and Yanonali Street on the north.~~

....

Suggested Modification No. 2

Chapter 28.71 (Ocean-Oriented Commercial Zone)

....

28.71.20 Uses Permitted.

....

4. Residential uses: Any use permitted in the R-3 Zone is allowed in the area bounded by Helena Avenue on the west, the existing railroad right-of-way on the south, plus the parcel at the northwest corner of Helena and Yanonali and the condo project site at Santa Barbara and Yanonali Streets, the Garden Street Extension on the east and Highway 101 on the north (excluding Montecito Street frontage), subject to the restrictions and limitations contained in this chapter. A mixed use development standard ratio of 60 percent (maximum) residential vs. 40 percent (minimum) non-residential Ocean Oriented Commercial (total building floor area) shall be applicable to all lots of 5,000 square feet or larger or any contiguous lots in common ownership or contained in development proposals where the total size of said lots meet or exceed this standard.

Suggested Modification No. 3

Sectional Zone Map 8 shall be revised as follows (see exhibit 5):

Chapter 28.12 (Zone Map)

Section 1. Sectional Zone Map 8 of Chapter 28.12 (Zone Map) of the Santa Barbara Municipal Code is hereby amended by changing the zoning of Assessor's Parcel Nos. 17-021-05, ~~through 07, 17, 18, 23, 30 and 32~~ 17, 18, 23, 30 and 32 ~~16 through 20, and 24; 17-022-02 through 04, 07 and 09; 33-010-10, 17, and 18; 33-052-04, 05, 07, 12, and 15 through 18~~ 20; 33-053-03, 07, 08, 13, 18, and 20 and 23 through 27; 33-054-04 through 07, 13, 14, 17, 20, 21, and 26 through 28; 33-081-02; 33-082-04, 08, 10, and 11; 33-083-06, 07, 12, and 15 through 20; 33-084-01 through 07; 33-112-01, 02, 07 through 10; and 33-113-01, 08, 09, and 12 through 14 from HRC-2, Hotel and Related Commerce 2 to OC, Ocean-Oriented Commercial.

Suggested Modification No. 4

Sectional Zone Map 5 shall be revised as follows:

Chapter 28.12 (Zone Map)

~~Section 3. Sectional Zone Map 5 of Chapter 28.12 (Zone Map) of the Santa Barbara Municipal Code is hereby amended by changing the zoning of Assessor's Parcel Nos. 17-313-03, 04, 13 through 17, and 19; and 17-460-01 through 04 from HRC-1, Hotel and Related Commerce 1 to R-4, Hotel Motel Multiple Residence.~~

VI. FINDINGS AND DECLARATIONS FOR THE LOCAL COASTAL PLAN (LUP & IP) AMENDMENT DENIAL AS SUBMITTED AND APPROVAL WITH SUGGESTED MODIFICATIONS

The following findings support the Commission's denial of the LCP Amendment as submitted, and approval of the LCP Amendment if modified as suggested below. The Commission hereby finds and declares as follows:

A. AMENDMENT DESCRIPTION AND HISTORY

The City proposes to amend its certified Local Coastal Program to change the Land Use Plan and Zoning Ordinance designations for several parcels in the City's waterfront area. All of the proposed changes are located in an area bounded by the 101 Freeway on the north, Cabrillo Boulevard on the south, Castillo on the west, and Milpas avenue on the east. The most significant proposed change to the LCP involves changing the LUP and Zoning designations in an approximately 3-block by 3-block area of the waterfront generally bound by Helena Avenue on the west, Highway 101 on the north, Garden Street on the east, and Cabrillo Boulevard on the south (excluding parcels fronting Cabrillo Boulevard and those within the Cabrillo Plaza Specific Plan). The change would eliminate the existing Hotel and Related Commerce (HRC-2) designation and create a new Ocean Oriented Commercial (OC) designation for the area (Exhibit 1). The new designation would allow ocean-dependent, ocean-oriented, arts related, commercial, and residential use while prohibiting new hotel, motel and related visitor-serving uses which are currently allowed under the HRC-2 designation. This and other proposed amendment changes are described in greater detail below.

The City originally submitted the proposed LCP Amendment in 1999 and again in 2001. Both amendments were subsequently withdrawn. During the intervening months discussions were held between City and Commission staff relative to specific issues raised by the proposed amendment, particularly, the loss of potential for developing new overnight accommodations in the subject area. City staff agreed to provide some additional information and analysis relative to the potential impact of the proposed changes, however, the current amendment proposal is identical to the prior applications. The City's proposed changes arose out of a comprehensive study involving numerous public meetings, workshops, and walking tours between 1995 and 1999. The City Council adopted the resolution and ordinances that constitute the proposed LCP amendment on August 17, 1999 (exhibit 8).

B. PROPOSED CHANGES TO THE CERTIFIED LOCAL COASTAL PLAN

The amendment involves changes to the City of Santa Barbara General Plan Map, the text of the City's Local Coastal Plan, and the Zoning Ordinance, as follows (summary from application submittal letter):

Ocean-Oriented Commercial

- Amend selected text of the Local Coastal Plan to create the Ocean-Oriented Commercial land use designation.
- Amend the General Plan Map to remove the existing Hotel and Related Commerce II land use designation and apply the Ocean-Oriented Commercial land use designation.
- Amend the Zoning Ordinance to include a new Ocean-Oriented Commercial (OC) land use zone that allows primarily ocean-dependent and ocean-oriented uses, commercial recreational uses, arts-related uses, and residential uses.

- Rezone the area roughly bounded by Helena Avenue on the west, Highway 101 on the north, the Garden Street extension on the east, and Cabrillo Boulevard on the south (excluding parcels fronting on Cabrillo Boulevard or within the Cabrillo Plaza Specific Plan area) from HRC-2 to OC. (exhibits 1 & 4)

The legislative intent of the proposed OC zone is as follows:

“[The OC] zone strives to achieve balanced use of the City’s Waterfront and maintain the small scale, local character that is unique to the Waterfront area. Land uses shall be encouraged in this zone that maintain and enhance the desirability of the Waterfront as a place to work, visit, and live. This zone is intended to foster a vital, mixed-use neighborhood and preserve and protect the coastal environment in terms of light, air, and visual amenities”.

The proposed Ocean-Oriented Commercial (OC) Zone would allow the following types of uses:

- Ocean-dependent and ocean-oriented uses (aquaculture; boat rentals; marine equipment & accessories manufacturing, sales & rentals; marine-oriented government & research & development facilities; boat & sail manufacturing and repair; seafood processing & wholesaling; commercial fishing services, e.g. repair & storage; and, ocean-oriented educational facilities);
- Commercial recreational uses (consistent with current HRC-2 zoning);
- Arts related uses (art galleries, schools, workspaces, printing & publishing, industrial arts & crafts);
- Residential uses in the area bounded by Helena Avenue on the west, the existing railroad right-of-way on the south, the Garden Street extension on the east, and Highway 101 on the north (consistent with the current HRC-2 zoning);
- Stores that sell liquor, groceries, or food that do not exceed 2,500 square feet in gross floor area (consistent with current HRC-2 zoning);
- Other ocean-dependent, ocean-oriented, commercial recreational, or arts-related uses that are found to be consistent with the intent of the OC Zone by the Planning Commission; and
- Automobile rentals and parking lots, with a Conditional Use Permit (consistent with current HRC-2 zoning).

Rezoning the interior HRC-2 areas to OC would remove the potential for further hotels, motels, tourist courts, auxiliary uses for hotel guests, restaurants, specialty and gift shops, and general office uses. These uses would be replaced by ocean-dependent, ocean-oriented, and arts-related uses. Residential development would continue to be allowed in the sub-area between the railroad right-of-way and the 101 Freeway.

Rezoning the interior area from HRC-2 to OC would also change the development standards that apply to the area. The current HRC-2 zoning requires a front yard of not less than 10 feet for one-story buildings that do not exceed 15 feet in height, and 20 feet of front yard for all other buildings. Exclusively residential buildings or portions thereof are required to adhere to the setback, lot area, and outdoor living space requirements for the R-3 (limited multiple-family) zone.

The proposed OC Zone does not require building setbacks. However, any portion of a building used exclusively for residential purposes would be required to adhere to the lot area and outdoor living space requirements for the R-3 zone. The three-story building height limit that currently applies to the area would remain unchanged.

The development standards for the OC zone were proposed in recognition of the fact that the majority of existing buildings in the area were developed to Commercial-Manufacturing zone standards with no setback requirements. The development standards were proposed to allow for maximum site planning flexibility in order to aid in the provision of usable public open space, protection of view corridors, and application of traditional urban design principles.

Staff is recommending modifications to the proposed land use plan and zoning designation to limit allowed residential uses to 60 percent of total building floor area on all lots of 5,000 square feet and larger including contiguous lots in common ownership or contained in development proposals that equal or exceed 5,000 square feet. This modification is recommended in order to provide a more balanced mix of uses and insure the development of ocean-oriented, ocean dependent, commercial recreation and arts-related uses in conjunction with residential development.

Kimberly Avenue Area

- Amend the Zoning Ordinance to allow residential uses in the Kimberly Avenue area west of State Street and east of Mission Creek. The specific zone change would be to add this area to the list of exceptions where residential use is allowed in the HRC-2 Zone.

The Kimberly Avenue area consists of four properties that are bounded by Mission Creek on the west, Yanonali Street on the north, Kimberly Avenue on the east, and Mason Street on the South. The area is currently zoned HRC-2 and has a General Plan (LUP) designation of Hotel and Related Commerce II. Kimberly Avenue is one block west of State Street and currently contains a mix of land uses including residential, a mixed-use building, and a child care facility. It retains a largely residential character to the west (exhibit 4).

This amendment is intended to preserve the existing residential uses, recognizing that the area functions as a transitional zone between the State Street commercial and West Beach residential land uses.

Staff is recommending denial as submitted of this portion of the amendment request.

Free Standing Restaurants in the HRC-1 Zone

- Amend text of the LCP Land Use Plan to allow free-standing restaurants in the HRC-I land use designation.
- Amend the Zoning Ordinance to allow free-standing restaurants in the HRC-1 zone.

Land uses currently allowed in the HRC-1 zone are limited to hotels, motels, and tourist courts including related recreational, conference center and other auxiliary uses for hotel guests. There are currently a number of free-standing restaurants within the HRC-1 zone in the waterfront area that do not conform to the existing zoning requirements. The intent of this amendment is to make free-standing restaurants an allowed use in the HRC-1 zone, recognizing that they are an important visitor-serving use.

Staff is recommending approval as submitted of this portion of the amendment request.

Chase Palm Park Expansion

- Amend the Zoning Ordinance to remove language that allows housing in the Chase Palm Park Expansion (now zoned Park and Recreation).

In 1997, the Chase Palm Park Expansion was rezoned from HRC-2 to PR (Park and Recreation) to reflect the City ownership of the property and the intent to use it as a public recreational facility. During the rezone process, however, language in the HRC-2 ordinance that allowed residential use in the area occupied by the Chase Palm Park Expansion was not deleted. The intent of the proposed amendment is to remove this ordinance inconsistency.

Staff is recommending approval as submitted of this portion of the amendment request.

Variable Density Standards for Residential Development in the HRC-2 and OC Zones

- Amend the Zoning Ordinance to allow residential uses in the HRC-2 and OC zones to develop to variable density standards.

There are currently two areas of the HRC-2 zone where residential uses are allowed:

- Area #1 – (Proposed rezone to OC) -The area bounded by Helena Avenue, the railroad right-of-way, the Garden Street Extension, and Highway 101; and
- Area #2 – The area bounded by Cabrillo Boulevard, Los Patos Way, and the railroad right-of-way.

Within these areas, residential land uses can be developed to the standards of the R-3 (Limited Multiple-Family Residence) zone. The R-3 zone allows residential development to variable density standards in order to encourage a mix of residential unit types and affordability levels. The intent of allowing R-3 development in the HRC-2 zone was to allow variable density standards to be applied. However, the variable density provisions of the R-3 zone do not specifically include the HRC-2 zone in the list of zones where the standards may be applied.

The purpose of the proposed Zoning Ordinance amendment is to clarify that the intent of allowing R-3 uses in the HRC-2 zone was to allow residential development to variable density standards. Because area #1 is proposed to be rezoned from HRC-2 to OC (with

R-3 uses continuing to be permitted), the OC zone is added to the list of zones where variable density standards will apply.

Staff is recommending approval as submitted of this portion of the amendment request.

15 West Mason Street Rezone

- Rezone the parcel at 15 West Mason Street from HRC-1 to HRC-2. This change will bring the zoning designation into conformance with the Land Use Plan designation.

This parcel is located at the intersection of Mason Street and Kimberly Avenue, directly behind the Californian Hotel and adjacent to Mission Creek. The parcel is zoned HRC-1, but has a General Plan (LUP) designation of Hotel and Related Commerce II. The HRC-1 zone currently allows only hotels, motels, and auxiliary uses, while the HRC-2 zone allows for a broader mix of visitor-serving and commercial recreational land uses. The property currently houses a mix of tenants, including a beauty parlor and a fitness studio.

The intent of this amendment is to provide more land use flexibility for the property, recognizing that the size and location of the parcel effectively prohibit HRC-1 development. The amendment will also provide conformity between the LUP and zoning designations.

Staff is recommending approval as submitted of this portion of the amendment request.

Calle Puerto Vallarta/Orilla Del Mar Area Land Use Change and Rezone

- Amend the General Plan Map to remove the existing Hotel and Related Commerce I land use designation and apply the Hotel and Residential land use designation.
- Amend selected text of the LCP to be consistent with the General Plan Map.
- Rezone existing HRC-1 parcels in the Calle Puerto Vallarta/Orilla Del Mar area to R-4, Hotel-Motel Multiple Residence Zone.

The proposed land use and zoning change applies to properties located in the area east of Milpas Street, south of Calle Puerto Vallarta, and west of Orilla Del Mar (exhibit 4). The properties currently have a General Plan (LUP) designation of Hotel and Related Commerce I and are zoned HRC-1.

The proposed rezoning is intended to make the existing residential development conforming land uses while continuing to allow hotel development. This amendment is also intended to preserve opportunities for future residential development, recognizing that the area has retained the residential character of the adjacent R-4 zone.

Staff is recommending denial of this portion of the amendment request.

On August 17, 1999, the City Council adopted the resolution and ordinances that constitute the proposed LCP Amendment (Resolution No. 99-099; Ordinance No. 5118 and Ordinance No. 5119, Exhibit 8).

C. ISSUE ANALYSIS

The proposed amendment to the LCP Land Use Plan raises issue with the following Coastal Act Policies:

Section 30213 of the Coastal Act states:

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility located on either public or private lands; or (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities.

Section 30222 of the Coastal Act states:

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

Section 30223 of the Coastal Act states:

Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.

Section 30250 of the Coastal Act states:

(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.

The most significant policy issues raised by the proposed amendment concerns consistency with Sections 30213, 30222, and 30223 of the Coastal Act. These policies give priority to new development or protect existing development that provides lower cost visitor-serving commercial and recreational facilities, including overnight accommodations, designed to enhance public opportunities for coastal recreation over private residential, general industrial or general commercial development.

Ocean-Oriented Commercial Land Use Change and Rezone

As indicated, the proposed amendment will change the Land Use Plan and Zoning designation for a large area of the Waterfront from Hotel and Related Commerce II (HRC-2) to Ocean-Oriented Commercial. This change will result in prohibition of new hotels, motels, and related visitor-serving uses which are currently allowed under the HRC designation. The amendment will also change the Land Use Plan and Zoning designation for several parcels located along Milpas Avenue in the East Beach area of the Waterfront from Hotel and Related Commerce I (HRC-1) to Hotel and Residential (R-4). This change will continue to allow hotel and motel development as a future use in this area but will also allow multiple density residential development as a future use. This area currently contains a mix of residential and hotel/motel development. The amendment also includes related changes to the certified Zoning Ordinance and a separate Zoning Ordinance change which would allow residential development as a permitted use in an HRC-2 designated area where residential is not currently allowed (Kimberly Avenue).

The area subject to the proposed OC designation currently contains a varied mix of industrial, residential, small businesses, and arts-related facilities with no particular site design features. Many existing buildings are built to the edge of the street. In recognition of the eclectic mix of uses and build-out pattern in the area the amendment proposal is intended to provide maximum flexibility in site planning by allowing residential development in the OC Zone to be built to variable density standards, consistent with the standards currently allowed in an R-3 (Limited Multi-Family Residential) Zone and by not requiring building setbacks in this zone since numerous existing buildings have been built to the street edge under previously existing industrial development standards. The City's intent is to provide an incentive to property owners to rehabilitate or replace older industrial buildings into OC uses. This flexibility is also intended to encourage development to be oriented toward the street. In some cases, the City notes, setbacks may be necessary and required on a case-by-case basis to achieve other objectives such as landscaping, open space, compatibility with adjacent development or public view protection. Urban Design Guidelines will apply to the OC area. The City also notes that the proposed amendment does not affect properties along Cabrillo Boulevard, State Street or Garden Street and that, therefore, no significant public view corridors or vistas would be impacted by new development as a result of this amendment.

The amendment also includes language which encourages the development of a "mixed-use neighborhood" in the OC Zone but no specific criteria or restrictions are provided, beyond the list of allowed uses, to accomplish this objective. The Planning Commission and City Council will review each development proposal on a "case-by-case" basis. Residential development is not proposed to be an allowed use in the portion of the OC Zone south of the railroad right-of-way and north of Cabrillo Boulevard but future hotel and motel development will be prohibited (excluding parcels fronting on Cabrillo Boulevard).

A stated objective of the proposed amendment is removing the potential for further hotels, restaurants, and other primarily visitor-serving uses allowed by the HRC-2 designation in the interior area of the Waterfront. This objective is considered the most important component of creating a balanced Waterfront by the City. A parallel objective is providing an increased amount of residential development along with other ocean-

oriented uses in the Waterfront. The City acknowledges that accomplishing this goal requires the City to balance local land use priorities with those of the Coastal Act.

The major Coastal Act concern raised by the proposed amendment is that the cumulative effect will change the balance of future development within the interior Waterfront area from one which gave priority to visitor-serving uses including overnight accommodations to one which gives priority to residential development. This may be an unintended consequence but, as currently worded, the proposed amendment does not provide adequate restrictions or incentives to achieve a balance between the new ocean-oriented, ocean-dependent, and arts-related designated uses and new residential development.

The Commission is largely supportive of the proposed Ocean Oriented Commercial Land Use designation, which provides for a different type of visitor-serving uses, as long as a means to balance the uses to obtain a true "mixed-use" neighborhood is achieved, particularly since no future hotels or motels will be allowed in this area. Currently, the proposed amendment is weighted toward encouraging residential development in this area rather than a balanced, mixed-use pattern of development which would provide, at a minimum, equal development opportunities for other Ocean Oriented Commercial projects that would be allowed under the proposed amendment.

In response to a request from Commission staff, the City has provided additional information and analysis related to the current amount of overnight accommodations in the Waterfront and the potential capacity for new overnight accommodations under current land use designations and under the proposed land use change and rezoning (exhibits 1,2&9). The City points out that in 1981, there were approximately 35 hotels and motels in the Waterfront containing approximately 965 overnight accommodations which would serve approximately 3,040 guests. Currently, there are 34 hotels and motels providing approximately 1,700 overnight rooms or 725 additional rooms accommodating an estimated 5,100 overnight guests, an increase of 2,175 guests. A 1986 study concluded that the City's hotel/motel inventory was characterized by smaller, older properties that tended to be locally owned and that employ local residents. (These facilities tend to provide the more affordable overnight accommodations in contrast to the larger, more exclusive ocean-fronting hotels.) The 1986 study also indicated that the average occupancy rates are in the high 70 percent range. More recent figures indicate that the average occupancy rates in the Waterfront are approximately 80 percent year round with a low of 63 percent in December and a high of +95 percent in August. The City also notes that there are a total of 12 projects in the Waterfront that are either under construction, approved or pending approval which would add over 500 new rooms, including 160 hostel rooms and 112 timeshare units (exhibit 2).

These figures suggest that there is a large demand for overnight accommodations in the Waterfront and that there is not a surplus of rooms available. In addition, it is highly possible, if not probable, that visitation to the City, along with a corresponding demand for overnight rooms, will increase in the future due to both population increase and an increase in travel as a result of impending retirement of large numbers of "baby boomers". The City has also provided information on the number of facilities and rooms available outside of the Coastal Zone. There are an additional 34 hotels or motels in the

City outside of the Coastal Zone that provide an additional 1,358 rooms for overnight use. Although it is important to note the existence of these facilities and their provision of services which benefit visitors to the Waterfront it is also important to acknowledge that these facilities are not subject to the City's LCP or Coastal Act requirements. Further, the Waterfront area is clearly the major destination point for visitors to the City.

The City also notes that nearly all of the oceanfront property from the Bird Refuge on the east to Shoreline Park on the west is publicly owned and used as open space, park land, public recreation or parking. A large amount of open space and parkland is also provided on the inland side of Cabrillo Boulevard (exhibit 3). As stated by the City, the amount of available public land, including public beach, demonstrates the City's long standing commitment to coastal access and public use of the Waterfront. While the proposed amendment represents an attempt to achieve and maintain a balanced mix of land uses in the Waterfront, the Commission must insure that the balance provides for present and future use of this area by preserving and providing a sufficient amount of visitor-serving commercial facilities including overnight accommodations. The amount and quality of public land in the Waterfront only demonstrates the importance of also protecting and continuing to provide these commercial facilities in a reasonable balance which conforms to Coastal Act policies.

The City is concerned that intensification of visitor-serving development in the Waterfront will lead to increasing congestion and that the area is becoming less appealing and attractive to local residents. An additional concern is that if locals are starting to avoid the Waterfront on weekends, visitors might start avoiding the area as well. To address these concerns the City is proposing the new Ocean-Commercial Land Use designation which is based on the stated objective provided below:

"This zone strives to achieve balanced use of the City's Waterfront and maintain the small scale, local character that is unique to the Waterfront area. Land uses shall be encouraged in this zone that maintain and enhance the desirability of the Waterfront as a place to work, visit, and live. This zone is intended to foster a vital, mixed use neighborhood and preserve and protect the coastal environment in terms of light, air, and visual amenities."

Hotels, motels, B & Bs and youth hostels as well as other visitor-serving commercial uses will continue to be allowed in most other areas of the Waterfront except public land. As the City notes, this includes much of the West Beach area between Castillo Street, State Street, Highway 101 and Cabrillo Boulevard. It should also be noted, however, that this area contains an established residential area that is not likely to convert to overnight accommodations in the future. Other areas of the Waterfront where visitor-serving uses including overnight accommodations would continue to be allowed include the entire length of Cabrillo Boulevard, and the interior East Beach area (which also includes a large amount of existing residential development). Further, as noted by the City, the HRC-1 Zone allows almost exclusively for overnight accommodations and auxiliary uses. There are currently 49 parcels comprising approximately 42 acres of HRC-1 zoned land in the Waterfront. In addition, there are approximately 184 parcels comprising nearly 47 acres zoned R-4, which allows hotels as well as multi-family development, in the Waterfront. The City contrasts the amount of existing land that will

continue to be designated to allow visitor-serving uses including overnight accommodation with the relatively small, interior portion of the HRC-2 zone which it proposes to change to the OC designation. These are largely developed parcels (in the remaining HRC & R4 zoning designations) and are not readily available for conversion to hotel or motel development, however.

The most inland portion of the area to be redesignated OC includes a stretch of Montecito Street between Santa Barbara Street on the east to State Street on the west. This section of Montecito Street is dominated by the 101 Freeway on the north. The south side of the street facing the freeway contains a mix of uses including an office furniture store, a paint store, a rent-a-car agency, one vacant structure, and an adult entertainment facility which is the site of a pending hotel application. This stretch of Montecito Street is highly visible from the 101 Freeway, however, and could provide a location for future construction of affordable overnight accommodations for visitors if retained in the HRC-2 designation. As indicated, a hotel application is currently pending for one site already (exhibits 2 & 5).

The primary issue raised by the proposed amendment is whether it provides the proper balance of mixed-use development and means or policies to achieve that balance in conformance with applicable Coastal Act policies. The amendment would result in the future prohibition of hotels, motels, and other visitor-serving uses, which are considered priority uses pursuant to the Coastal Act, while continuing to allow residential use which is not a priority under the Coastal Act. The proposed OC Land Use Plan and Zoning change would remove the potential for additional overnight accommodations in a roughly 3-block by 3-block area of the Waterfront landward of the shoreline. This proposed change also needs to be considered in conjunction with a proposed change which will, at a minimum, dilute the potential for new overnight accommodations in a smaller area east of Milpas Avenue (Calle Puerto Vallarta/Orilla Del Mar) by changing the Land Use and Zoning designation from HRC-1 to Hotel and Multiple Residential (R-4).

As currently proposed, the amendment creates the potential for nearly total conversion of the subject area to residential use if that is the desired use by property owners or the use which provides the greatest economic benefit from development. Considering that there is a recognized shortage of housing in Santa Barbara as well as the overall market value of housing it is conceivable that residential development would become the predominate use in the OC area. Other allowed OC uses might not be able to compete, economically, with the demand for residential development. Although a stated objective of the amendment is to create a mixed-use development pattern, there are no controls or limitations established to achieve that goal. For instance, the City hopes that the amendment will “build upon the vibrant arts community” in Santa Barbara by “creating a more pedestrian friendly built environment” to encourage locals and visitors to walk from the beach and other areas into the “funk zone” to patronize arts-related, commercial recreational or other uses in the OC zone. The City also hopes to create an area in the Waterfront where uses such as boat rentals, marine equipment manufacturing, sales, repair, and storage, seafood processing and other support services for recreational and commercial fishing can be located. The City notes that “many of these uses have historically been present in this area and that they contribute to the character of the ‘funk zone’ that the community desires to preserve”. The City further notes that “the intent of

the OC rezone is to preserve the interior area for priority coastal uses such as support services to fishing and marine research, commercial recreational as well as arts and some residential" (emphasis added). Various means of achieving this objective to restrict residential development include limiting residential use to upper stories of new buildings or establishing a maximum percentage of allowable building floor area on a lot by lot basis while reserving the remaining buildable floor area for developing arts-related, commercial recreation, or other allowed ocean-oriented uses on the remaining area of the lot. At the April Commission hearing in Santa Barbara staff was recommending that residential development be restricted to upper stories only for new development in the OC zone. In discussing the issue of restricting residential development some Commissioner's suggested that a percentage requirement would achieve the same goal while allowing the City more design flexibility in approving new Ocean Commercial development projects. At the hearing and in follow up discussions City staff stated that the City would prefer to not have any restrictions on residential development but that if restrictions were applied that they be applicable to lots larger than 10,000 square feet only. There are 69 existing parcels within the proposed OC rezone area. Of this total there are 19 lots or 27.5 percent that exceed 10,000 square feet in size. Alternatively, if these restrictions were applied to lots of 5,000 square feet and greater then 45 lots or 65 percent of the total lots would be required to comply with mixed-use requirements in new development projects. In addition, if this requirement were applied to contiguous lots in common ownership and/or development proposals incorporating contiguous lots this percentage would rise even further. Two exhibits provided by the City that demonstrate existing parcel sizes and land uses within the proposed OC rezone area are attached to the end of this report.

In order to provide a balance to achieve mixed-use development suggested modifications to the proposed amendment to the Land Use Plan and Zoning Ordinance are necessary. Suggested modification one to the certified Land Use Plan more specifically defines the boundaries of the proposed Ocean-Oriented Commercial Land Use designation within the Component 4 sub-area of the LCP. The sub-area extends from Chapala Street on the west to Santa Barbara Street on the east. The proposed amendment identifies the entire sub-area as set aside for Ocean-Oriented Commercial uses, however, this new designation only applies to a portion of this sub-area. (exhibit 4) The remainder continues to be set aside for Hotel and Related Commerce (HRC) uses. The modification clarifies this boundary distinction. Suggested Modification one also retains the Montecito Street frontage immediately adjacent to the 101 Freeway between State Street and Santa Barbara Street in the HRC-II designation, which would allow future hotels, motels, and other visitor-serving uses to be constructed along that stretch.

In order to carry out the provisions of the Land Use Plan, as modified, suggested modification two to the proposed Zoning Ordinance amendment excludes the Montecito Street frontage from the proposed Ocean-Oriented Commercial Zone and further provides that residential uses in the OC Zone shall be limited to a maximum of 60 percent floor area of new development projects on any lots or combination of lots that total 5,000 square feet or larger. In other words any development on any parcels or combination of parcels meeting or exceeding 5,000 square feet would be required to contain a minimum of 40 percent non-residential OC uses. Suggested modification three to the Zoning

Ordinance amendment corrects the proposed Zone Map changes to remove the Montecito Street frontage from the new OC Zone (exhibit 5).

The Commission finds that the proposed amendment to the Land Use Plan of the certified City of Santa Barbara LCP to incorporate the Ocean-Oriented Commercial land use designation is consistent with policies 30213, 30222, and 30223 of the Coastal Act only if it is modified as presented in the findings above. In addition, the Commission finds that the proposed amendment to incorporate the Ocean-Oriented Commercial Zone into the Implementation Plan is adequate to carry out the Land Use Plan only if it is modified in accordance with the findings presented above.

Calle Puerto Vallarta/ Orilla del Mar Area Land Use Change and Rezone

The proposed LCP amendment to change the Land Use Plan designation (and Zoning) for an area located immediately inland of East Beach bounded by Milpas Avenue, Calle Puerto Vallarta and Orilla Del Mar from Hotel and Related Commerce I (HRC-1) to Hotel and Residential (R-4) also raise issues with Coastal Act policies which protect and give priority to recreational and visitor-serving commercial uses including those providing overnight accommodations over private residential development (exhibit 4).

Under the current HRC-1 designation, only hotels, motels and related auxiliary uses are allowed. (The subject amendment also proposes to allow free-standing restaurants in the HRC-1 designation.) The proposed R-4 designation would allow multiple residential development as well as hotels and motels. The City notes that the proposed rezoning is intended to make the existing residential development a conforming land use while continuing to allow hotel development. The City also notes that the amendment will also provide additional opportunities for future new residential development recognizing that the area has retained the residential character of the adjacent R-4 zone.

Prior to 1986, these properties were zoned R-4, which allowed for a mix of hotel and multiple-family residential uses. In 1986, the properties were rezoned HRC-1 to encourage the development of overnight accommodations for visitors. It was expected that the residential uses in this area would transition to hotel uses over time (the HRC-1 zone does not allow residential uses). However, with the exception of a vacant property that was developed with vacation rental units in 1997, this transition has not occurred. The other parcels in this area remain in residential use, and are non-conforming to the provisions of the HRC-1 zone.

The amendment will also significantly reduce the possibility of future hotel or motel construction in the area for the same economic and market based reasons discussed above relative to the proposed OC designation, however. In addition, it can be reasonably assumed that public sentiment in this area would favor residential development. Currently the area subject to the amendment contains several vacation rental units. It should also be noted that this same general neighborhood, which extends beyond the boundaries of the proposed amendment area, contains several older hotels or motels including Motel 6, Pacific Crest Motel, Parkside Inn, Inn at East Beach, and the Blue Sands Motel. All of these facilities coexist with the surrounding residential neighborhoods.

The area subject to the proposed amendment is located approximately one block inland of Cabrillo Boulevard directly fronting on Milpas across from the Cabrillo Ballpark (exhibit 4). As mentioned, this area was previously redesignated for Hotel and Related Commercial (HRC) development (no residential) in recognition of its proximity to East Beach with frontage on Milpas (which is accessed by on and off-ramps from the 101 Freeway).

The City's objective is to de-emphasize future hotel or motel development in this area while, at the same time, placing a greater emphasis on multi-family residential development. While acknowledging that the area has not recycled to hotel or motel use as intended it must also be acknowledged that this area is the last remaining area in the East Beach area that is not fronting on Cabrillo Boulevard that is designated strictly for hotel/motel development. Further, the area is connected to the Cabrillo Boulevard HRC Zone and fronts on Milpas Avenue, a heavily traveled street with freeway access. Finally, the potential loss of the Coastal Act priority hotel/motel use at the expense of non-priority residential use must be considered in conjunction with the loss of the HRC land use and zoning designation in the proposed Ocean-Commercial designation.

For the reasons discussed above, Suggested Modification two to the Land Use Plan amendment is required to ensure that the proposed amendment is consistent with Sections 20213, 30222, and 30223 of the Coastal Act. This modification effectively denies the proposed Land Use Plan redesignation as submitted for the subject area and retains the area in its existing Hotel & Related Commerce designation. Suggested Modification 4 to the Implementation Plan/ Zoning Ordinance is necessary also to retain the existing HRC-1 Zone Map designation. The Commission finds that, only if modified in accordance with the findings presented above, is the proposed amendment to the Land Use Plan consistent with the applicable referenced Coastal Act policies. Further, the Commission finds that the proposed corresponding amendment to the Implementation Plan – Zoning Ordinance is adequate to carry out the Land Use Plan only if it is modified in accordance with the findings presented above.

Kimberly Avenue Area Rezone

An additional component of the proposed LCP amendment that also raises issue with each of the above cited Coastal Act policies concerns a proposed change to the Implementation Plan/Zoning Ordinance only. This proposed change is to amend the Zoning Ordinance to allow residential uses in the Kimberly Avenue area west of State Street, east of Mission Creek and south of the railroad right-of-way and Amtrak Station. The specific zone change would be to add this area to the list of exceptions in the Zoning Ordinance where residential use is allowed in the Hotel and Related Commerce (HRC-2) Zone. Currently, only hotels/motels and auxiliary uses, and visitor-serving commercial uses are allowed in this portion of the HRC-2 Zone.

The Kimberly Avenue area consists of four properties that are bound by Mission Creek on the west, Yanonali Street on the north (adjacent to the railroad right-of-way), Kimberly Avenue on the east, and Mason Street on the south (exhibit 4). Kimberly Avenue is one block west of State Street and currently contains a mix of land uses including residential,

a mixed-use building, and a child care facility. The area subject to the amendment adjoins existing commercial development along State Street but the area contains a largely residential character to the west. The amendment is intended to preserve the existing residential uses, recognizing that the area functions as a transitional zone between the State Street commercial and West Beach residential land uses.

It should be noted, however, that the subject area is the most logical inland area west of State Street to accommodate future overnight accommodations or other visitor-serving uses given its close proximity to the railroad station at Yanonali Street and State Street commercial development. A 60-room hostel development is currently proposed nearby. This location was chosen for its proximity to the railroad station. Although the largely residential area to the west contains a number of motels, future conversion of properties to hotel/motel or other visitor-serving use is prohibited in this section of the HRC-2 zone in order to retain the residential character of the area. Further, given the popularity of the area as a place to live near the beach and the demand for future housing in the City, it is likely that the proposed change would result in conversion of this area to a non-priority residential use while minimizing the opportunity for providing priority uses such as overnight accommodations.

For the reasons stated above Suggested Modification one to the Implementation Plan/Zoning Ordinance amendment is necessary. This modification effectively denies the proposed language addition to the Zoning Ordinance by retaining the prohibition of residential development in the HRC-2 Zone. For the reasons stated above in the findings the Commission finds that the proposed amendment to the Implementation Plan is adequate to carry out the provisions of the certified Land Use Plan only if modified to delete the proposed exception language as described above.

VII. THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to Section 21080.9 of the California Environmental Quality Act ("CEQA"), the Coastal Commission is the lead agency responsible for reviewing Local Coastal Programs for compliance with CEQA. The Secretary of Resources Agency has determined that the Commission's program of reviewing and certifying LCPs qualifies for certification under Section 21080.5 of CEQA. In addition to making the finding that the LCP amendment is in full compliance with CEQA, the Commission must make a finding that no less environmentally damaging feasible alternative exists. Section 21080.5(d)(2)(A) of CEQA and Section 13540(f) of the California Code of Regulations require that the Commission not approve or adopt a LCP, "...if there are feasible alternative or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment."

The proposed amendment is to the City of Santa Barbara's certified Local Coastal Program Land Use Plan and Implementation Ordinance. The Commission originally certified the City of Santa Barbara's Local Coastal Program Land Use Plan and Implementation Ordinance in 1981 and 1986, respectively. For the reasons discussed in this report, the LCP amendment, as submitted is inconsistent with the intent of the applicable policies of the Coastal Act and the certified Land Use Plan and feasible

alternatives are available which would lessen any significant adverse effect which the approval would have on the environment. The Commission has, therefore, modified the proposed LCP amendment to include such feasible measures adequate to ensure that such environmental impacts of new development are minimized. As discussed in the preceding section, the Commission's suggested modifications bring the proposed amendment to the Land Use Plan and Implementation Plan components of the LCP into conformity with the Coastal Act and certified Land Use Plan. Therefore, the Commission finds that the LCP amendment, as modified, is consistent with CEQA and the Land Use Plan.